

LEGISLATURE OF THE STATE OF IDAHO
Sixty-first Legislature First Regular Session - 2011

IN THE HOUSE OF REPRESENTATIVES

HOUSE BILL NO. 217

BY REVENUE AND TAXATION COMMITTEE

AN ACT

RELATING TO HOSPITAL DISTRICTS; AMENDING SECTION 39-1339, IDAHO CODE, TO REVISE WHAT IS IN THE INTEREST OF THE HOSPITAL DISTRICT AND IN THE PUBLIC INTEREST OR NECESSITY FOR INCURRING INDEBTEDNESS, TO PROVIDE THAT CERTAIN INDEBTEDNESS BE PAYABLE OUT OF TAXES IN ORDER TO BE SUBMITTED TO THE ELECTORS, TO REVISE THE AMOUNT REQUIRED TO SUBMIT CERTAIN MATTERS TO THE ELECTORS, TO REMOVE PROVISIONS REGARDING THE REQUIREMENT TO SUBMIT CERTAIN MATTERS TO THE ELECTORS AND TO PROVIDE THAT INDEBTEDNESS OR LIABILITY MAY BE INCURRED WITHOUT ELECTION FOR CERTAIN MATTERS AND TO MAKE A TECHNICAL CORRECTION.

Be It Enacted by the Legislature of the State of Idaho:

SECTION 1. That Section 39-1339, Idaho Code, be, and the same is hereby amended to read as follows:

39-1339. CREATION OF INDEBTEDNESS FOR WORKS, IMPROVEMENTS OR EQUIPMENT -- ELECTION ON PROPOSED INDEBTEDNESS -- INDEBTEDNESS OR LIABILITY WITHOUT ELECTION. (1) Whenever the board of the hospital district shall by resolution, determine that it is in the interest of said district and in the public interest or necessity demand, ~~the acquisition, construction, installation, or completion of any works or other improvements of facilities or the construction, installation and maintenance of a hospital, hospital grounds, medical clinic, nursing home, nurses' quarters and other structural components or fixtures, or for the enlargement, improvement and acquisition of existing hospital, hospital grounds, medical clinic, nursing home, nurses' quarters and other structural components or fixtures, or the making of to purchase, contract, lease or construct or otherwise acquire facilities, equipment, technology and real property for health care operations or make any contract with the United States or other persons or corporations, public or private, municipalities or governmental subdivisions to carry out the said public works, acquisitions, improvements, objects or purposes of said district requiring the creation of an indebtedness payable out of taxes of one five hundred thousand dollars (\$1500,000) or more, and in any event when the indebtedness will exceed the income and revenue provided for the year, the board shall order the submission of the proposition of issuing such obligations or bonds or creating other indebtedness payable out of taxes to the qualified electors of the district at an election held, subject to the provisions of section 34-106, Idaho Code, for that purpose; whenever the board of the hospital district shall by resolution determine that the interest of said district and the public interest or necessity demand the acquisition of medical or business equipment for said district requiring the creation of an indebtedness of one hundred thousand dollars (\$100,000) or more and, in any event, when the indebtedness will exceed the income and revenue as provided for the year, the board shall order the submission of the proposition of~~

~~creating such indebtedness to the qualified electors of the district at an election, subject to the provisions of section 34-106, Idaho Code, held for that purpose; provided, however, that no election shall be required for any lease or other transaction entered into between the hospital district and the Idaho health facilities authority. Notwithstanding any other provision, the hospital district shall be entitled to enter into a lease or other transaction regardless of the amount involved with the Idaho health facilities authority upon determination by the board of the hospital district that it is in the interest of the hospital district and best interests of the public to enter into such lease or other transaction. The declaration of public interest or necessity, herein required, and the provision for the holding of such election may be included within one (1) and the same resolution, which resolution, in addition to such declaration of public interest or necessity shall recite the objects and purposes for which the indebtedness is proposed to be incurred, the estimated costs of the works, improvements, or medical or business equipment, as the case may be, the amount of principal of the indebtedness to be incurred therefor, and the maximum rate of interest to be paid on such indebtedness. Such resolutions shall also fix the date upon which such election shall be held, and the manner of holding the same in accordance with the provisions of title 34, Idaho Code, and the method of voting for or against the incurring of the proposed indebtedness; such resolution shall designate the polling place or places and the county clerk shall appoint judges, provided, however, that no district shall issue or have outstanding its coupon bonds in excess of two percent (2%) of the market value for assessment purposes of the real and personal property within the said district, according to the assessment of the year preceding any such issuance of such evidence of indebtedness for any or all of the propositions specified in this election, provided, however, that such bonds shall not be issued, nor shall any indebtedness be incurred, at any time that there shall be a bond issue outstanding and unpaid for the construction, acquisition or maintenance of a county hospital in the county in which such district is organized.~~

(2) No election shall be required for any lease or other transaction entered into between the hospital district and the Idaho health facilities authority. Notwithstanding any other provision, the hospital district shall be entitled to enter into a lease or other transaction regardless of the amount involved with the Idaho health facilities authority upon determination by the board of the hospital district that it is in the interest of the hospital district and best interests of the public to enter into such lease or other transaction.

(3) Notwithstanding subsection (1) or (2) of this section and provided that no property tax revenues shall be used for payment of indebtedness authorized by this subsection, district hospitals, ancillary to their operations and in furtherance of health care needs in their service areas, may incur indebtedness or liability without an election to purchase, contract, lease or construct or otherwise acquire facilities, equipment, technology and real property for health care operations.